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# PROCEEDINGS OF THE GOVERNING COUNCIL AT ITS FIFTH SPECIAL SESSION

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## INTRODUCTION

Pursuant to the decision taken by the Governing Council of the United Nations Environment Programme (UNEP) at its nineteenth session, the fifth special session of the Council was held at UNEP headquarters, Nairobi, from 20 to 22 May 1998. The Council adopted the present proceedings at the 6th meeting of the session, on 22 May 1998.

# CHAPTER I

## ORGANIZATION OF THE SESSION

### A. Opening of the session

1. The fifth special session of the Governing Council of the United Nations Environment Programme (UNEP) was opened at 10.35 a.m. on Wednesday, 20 May 1998 by Mr. Arnoldo José Galbadón (Venezuela), President of the Council.

2. In his opening statement, Mr. Gabaldón noted that, after the crisis at the nineteenth session, optimism and credibility had been restored: the Nairobi Declaration, specifying the scope of UNEP's mandate, had been broadly welcomed; useful decisions had been taken on internal governance; and the appointment of a new Executive Director had helped to restore confidence. The Council, at its fifth special session, must now review the results of the special session of the United Nations General Assembly for the purpose of an overall review and appraisal of the implementation of Agenda 21. UNEP had an immense responsibility in that regard as a catalyst of progress. The Council must also consider UNEP's management and administrative support, in which connection the proposals submitted by the Committee of Permanent Representatives must be carefully analysed. The Council would also need to consider the conclusions of the High-level Committee of Ministers and Officials on the reform of UNEP and its financing, with particular focus on the treatment of freshwater. Finally, within the terms of the Nairobi Declaration, the Council must analyse how UNEP could serve as a coherent link between environmental conventions. The full text of the address of the President is contained in annex II to the present proceedings.

3. At the opening meeting, Mr. Francis K. Nyenze, Minister for Environmental Conservation of Kenya, welcomed participants to Kenya and expressed his gratitude to the Secretary-General of the United Nations for his recent visit to the country and his realization that the United Nations needed a permanent centre in a developing country like Kenya. He said that the Government of Kenya would continue to work on improving communications support and security for the centre. Kenya believed that a greater proportion of resources should be allocated to the Environment Fund. Noting that much remained to be done to implement Agenda 21, he expressed his Government's hope that the Global Environment Facility (GEF) would fully implement the policy recommendations adopted by its Assembly. He welcomed the joint efforts of UNEP and the Food and Agriculture Organization of the United Nations (FAO) regarding the proposed prior informed consent (PIC) convention but noted the need, in view of the proliferation of chemical control treaties, for harmonization in order to avoid duplication and improve compliance. Kenya had sought to implement some components of Agenda 21, but the Government's vision of providing clean water to all households by the year 2000 was unattainable, despite the presence of freshwater sources. He welcomed the Governing Council's decision to review progress on freshwater activities, and expected the Council to deliberate on the use of shared freshwater resources.

4. Also at the opening meeting, the Council heard a statement by Mr. Klaus Töpfer, Executive Director of UNEP, who welcomed participants to Nairobi and underscored the organization's hope that the United Nations presence in Nairobi might some day rival that of other prominent United Nations centres. He emphasized the organization's commitment to meeting the special needs of all the regions and its awareness of the unique circumstances of small island developing States. He reported on the four areas in which UNEP would concentrate its activities in seeking to implement the Nairobi Declaration, namely:

(a) Development of an emergency response capacity and strengthening of the early warning and assessment functions;

(b) Coordination and development of environmental policy instruments, encompassing the following areas:

(i) Support to environmental conventions;

(ii) Chemicals, including the conclusion of a PIC convention and negotiations for an international legally binding instrument on persistent organic pollutants; and

(iii) Development of economic instruments for the implementation of environmental agreements;

(c) Freshwater, including strengthened collaboration with GEF on freshwater resources; and

(d) Industry and technology transfer.

5. He outlined proposals for streamlining the organizational structure of UNEP, aimed at achieving economies of nearly 30 per cent, to be used to fund UNEP programmes. He emphasized the importance of a solid financial base to enable UNEP to discharge its strengthened mandate and meet the growing environmental challenges world-wide; in that connection, he announced the objective of restoring the Environment Fund to at least the 1993 level of over $65 million. The full text of the statement of the Executive Director's contained in annex III to the present proceedings.

## B. Attendance

6. The following States members of the Governing Council were represented at the session: 1/

| | |
|---|---|
| Algeria | Belgium |
| Argentina | Botswana |
| Australia | Burundi |
| Austria | Cameroon |
| Belarus | Canada |

1/ The membership of the Governing Council was determined by elections held at the 68th plenary meeting of the fiftieth session of the General Assembly, held on 21 November 1995, and the 56th plenary meeting of the fifty-second session, held on 26 November 1997.

Chile
China
Colombia
Comoros
Cuba
Czech Republic
Finland
France
Germany
Hungary
India
Indonesia
Iran (Islamic Republic of)
Italy
Japan
Kenya
Malawi
Mexico
Morocco
Netherlands
Nigeria
Norway
Pakistan
Peru
Philippines
Poland
Republic of Korea
Russian Federation
Slovakia
Sudan
Syrian Arab Republic
Thailand
Tunisia
Turkey
United Kingdom of Great Britain and Northern Ireland
United States of America
Venezuela
Zimbabwe

7. The following States not members of the Governing Council but Members of the United Nations or members of a specialized agency or of the International Atomic Energy Agency were represented by observers:

Angola
Bangladesh
Brazil
Costa Rica
Cyprus
Denmark
Equatorial Guinea
Ethiopia
Gabon
Ghana
Holy See
Iraq
Israel
Jordan
Kuwait
Lesotho
Maldives
Mali
Mozambique
Nepal
New Zealand
Portugal
Romania
Rwanda
Saudi Arabia
Senegal
South Africa
Spain
Sri Lanka
Swaziland
Sweden
Switzerland
Uganda
United Republic of Tanzania
Yemen
Zambia

8. The observer for Palestine to the United Nations also participated.

9. The following United Nations bodies, Secretariat units and convention secretariats were represented:

Secretariat of the United Nations Framework Convention on Climate Change (UNFCCC)
United Nations Centre for Human Settlements (UNCHS) (Habitat)
United Nations Department of Economic and Social Affairs,
United Nations Development Programme Office to Combat Desertification (UNSO)
United Nations Population Fund (UNFPA)

10. A representative of the Global Environment Facility (GEF) was also present.

11. The following specialized agencies were represented:

Food and Agriculture Organization of the United Nations (FAO)
International Civil Aviation Organization (ICAO)
United Nations Educational, Scientific and Cultural Organization (UNESCO)
United Nations Industrial Development Organization (UNIDO)
Universal Postal Union (UPU)
World Health Organization (WHO)
World Intellectual Property Organization (WIPO)
World Meteorological Organization (WMO)

The International Atomic Energy Agency (IAEA) was also represented.

12. The following intergovernmental organizations were represented:

European Community
League of Arab States
Organization of African Unity (OAU)
Secretariat of the Pacific Community
South Pacific Regional Environment Programme (SPREP)

13. In addition, the following 20 non-governmental organizations were represented by observers:

Advisory Committee on Protection of the Sea (ACOPS)
African Centre for Technology Studies (ACTS)
Baha'i International Community
Centre for Environment Technology and Development Malaysia (CETDEM)
Climate Network Africa (CNA)
Cohort for Research on Environment
Urban Management and Human Settlement (CREUMHS)
EarthCare Africa
Ecoterra International
Environment Liaison Centre International (ELCI)
Global Crop Protection Federation (GCPF)
International Confederation of Free Trade Unions
International Council for Environmental Law (ICEL)
Kenya Pastoralist Forum (KPF)
Mazingira Institute
Society for the Protection of the Environment (SPEK)
The World Conservation Union (IUCN)

United Nations Association of Kenya (UNAK)
World Organization of the Scout Movement (WOSM)
World Resources Institute (WRI)
World Wide Fund for Nature (WWF) International

## C. Officers

14. In accordance with rule 19 of the rules of procedure for meetings of the Governing Council, the following officers, elected by the Governing Council at its nineteenth regular session, continued to serve in their respective capacities at the fifth special session:

President: Mr. Arnoldo José Gabaldón (Venezuela)

Vice-Presidents: Mr. Sid-Ali Ketrandji (Algeria)
Mr. Rajiv Bhatia (India)
Mr. Boris Maiorski (Russian Federation)

Rapporteur: Mr. Paul Haddow (Canada)

## D. Credentials of representatives

15. In accordance with rule 17, paragraph 2, of the rules of procedure, the Bureau examined the credentials of representatives attending the session. The Bureau found the credentials in order and so reported to the Council, which approved the Bureau's report at the 6th plenary meeting of the session, on 22 May 1998.

## E. Adoption of the agenda

16. At the opening meeting of the session, the Council adopted the following agenda for the session on the basis of the provisional agenda (UNEP/GCSS.V/1):

1. Opening of the session.

2. Organization of the session:

   (a) Adoption of the agenda;

   (b) Organization of the work of the session.

3. Credentials of representatives.

4. Confirmation of the members of the High-level Committee of Ministers and Officials.

5. Evaluation of the management and administrative support of the United Nations Environment Programme, as requested by the Governing Council in sections II and III of decision 19/22.

6. Review of the results and decisions of the special session of the General Assembly for the purpose of an overall review and appraisal of the implementation of Agenda 21 and of the

conclusions of the High-level Committee of Ministers and Officials at its second meeting.

7. Adoption of the report.

8. Closure of the session.

F. Organization of the work of the session

17. At the opening meeting of the session, the Governing Council considered the organization of the work of the session in the light of the recommendations contained in the annotated provisional agenda and organization of work and the provisional timetable of meetings suggested by the Executive Director (UNEP/GCSS.V/1/Add.1 and Corr.1).

18. The Council agreed that the following agenda items would be addressed primarily in plenary meetings: item 1 (Opening of the session); item 2 (Organization of the session); item 3 (Credentials of representatives); item 4 (Confirmation of the members of the High-level Committee of Ministers and Officials); item 5 (Evaluation of the management and administrative support of the United Nations Environment Programme, as requested by the Governing Council in parts II and III of decision 19/22); item 6 (Review of the results and decisions of the special session of the General Assembly for the purpose of an overall review and appraisal of the implementation of Agenda 21 and of the conclusions of the High-level Committee of Ministers and Officials at its second meeting); item 7 (Adoption of the report); and item 8 (Closure of the session).

19. It was also agreed that there would be two panel discussions on:

(a) Chemicals: the new prior informed consent convention; and

(b) Clean development mechanisms.

20. The Council further agreed to establish a Drafting Group, under the chairmanship of Mr. Sid-Ali Ketrandji (Algeria), Vice-President of the Council, to prepare draft decisions for submission to the plenary.

## CHAPTER II

## ADOPTION OF DECISIONS 2/

Evaluation of the management and administrative support of the United Nations Environment Programme, as requested by the Governing Council in sections II and III of its decision 19/22 (decision SS.V/1)

1. At the 6th meeting of its fifth special session, on 22 May 1998, the Governing Council had before a draft decision on this subject (UNEP/GCSS.V/L.7), submitted by the Drafting Group on the basis of the suggested action contained in the report of the Executive Director on the subject (UNEP/GCSS.V/4) and an earlier draft decision on the same subject submitted by the Group of 77 and China (UNEP/GCSS.V/L.3).

2. The draft decision was adopted by consensus, with amendments proposed by the President and the representatives of Bangladesh and the United Kingdom.

Revitalization, reform and strengthening of the United Nations Environment Programme (decision SS.V/2)

3. At the 7th meeting of the session, also on 22 May 1998, the Governing Council had before it a draft decision on this subject (UNEP/GCSS.V/L.5), submitted by the President with the support of the Bureau.

4. The representatives of the United Kingdom and India introduced an alternative proposal, prepared on the basis of draft decision UNEP/GCSS.V/L.5 during informal consultations between representatives of a number of States members of the Western European and Others Group and of the Group of 77 and China.

5. On the proposal of the President, the Governing Council decided to consider first the proposal introduced by the representatives of the United Kingdom and India, on the understanding that, if it was adopted, draft decision UNEP/GCSS.V/L.5 would be withdrawn.

6. The proposal introduced by the representatives of the United Kingdom and India was adopted by consensus, with amendments introduced by the representatives of the Russian Federation and Turkey.

Contribution of the United Nations Environment Programme to the seventh session of the Commission on Sustainable Development (decision SS.V/3)

7. During the adoption of decision SS.V/2, the representative of Australia proposed the inclusion of an additional paragraph, by which the Council would request the Executive Director to prepare a report on the environmental aspects of oceans management as a contribution to the work of the Commission on Sustainable Development at its seventh session, in 1998.

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2/ For the text of the decisions adopted by the Governing Council at its fifth special session, see annex I to the present proceedings.

8. The Council decided to take up the proposal as a separate draft decision.

9. The proposal, as revised by the representative of Australia, was subsequently adopted at the same meeting as decision SS.V/3.

Freshwater (decision SS.V/4)

10. At the 6th meeting of the session, on 22 May 1998, the Governing Council had before it a draft decision on this subject (UNEP/GCSS.V/L.10), submitted by the Drafting Group and prepared on the basis of three draft decisions on the same subject (UNEP/GCSS.V/L.1, UNEP/GCSS.V/L.2 and UNEP/GCSS.V/L.4), submitted by Australia, the European Union and the Group of 77 and China, respectively.

11. The draft decision was adopted by consensus.

Convention on the Prior Informed Consent Procedure for Certain Hazardous Chemicals and Pesticides in International Trade (decision SS.V/5)

12. At the same meeting, the President informed the Governing Council that the Drafting Group had decided to transmit to it as draft decision UNEP/GCSS.V/L.11 the suggested action on this subject as contained in the report of the Executive Director on progress in the intergovernmental negotiations on an international legally binding instrument for the application of the prior informed consent (PIC) procedure for certain hazardous chemicals and pesticides in international trade (UNEP/GCSS.V/5).

13. The draft decision was adopted by consensus.

Global Environment Facility (decision SS.V/6)

14. At the 7th meeting of the session, the Governing Council had before it a draft decision on this subject (UNEP/GCSS.V/L.12) submitted by the Drafting Group and prepared on the basis of the suggested action in the report of the Executive Director on participation of United Nations Environment Programme in the work of the Global Environment Facility (UNEP/GCSS.V/6).

15. The draft decision was adopted by consensus.

Land degradation (decision SS.V/7)

16. At the same meeting, the Governing Council had before it a draft decision on this subject (UNEP/GCSS.V/L.13) submitted by the Drafting Group and prepared on the basis of an earlier draft (UNEP/GCSS.V/L.6) submitted by the Group of 77 and China.

17. The President introduced editorial corrections to paragraphs 2 and 3 of the draft decision to change the phrase "land degradation activities" to "activities to combat land degradation".

18. The draft decision was adopted by consensus, with the corrections introduced by the President.

## CHAPTER III

## CONFIRMATION OF THE MEMBERS OF THE HIGH-LEVEL COMMITTEE OF MINISTERS AND OFFICIALS

1. In considering item 4, the Council had before it the report of the Executive Director on the nomination of members of the High-level Committee of Ministers and Officials (UNEP/GCSS.V/3), the report of the High-level Committee of Ministers and Officials on the work of its second meeting (UNEP/HLC/2/6), and the list of nominees of the High-level Committee of Ministers and Officials (UNEP/HLC/2/INF/6 and Corr.1).

2. The item was taken up by the Council at the 2nd meeting of the session, on 20 May 1998.

3. Introducing the item, the President recalled Governing Council decision 19/32 by which the Council established the High-level Committee of Ministers and Officials and decided that those nominated by the respective regional groups would be empowered to function on a provisional basis as members of the Committee until the next special or regular session of the Governing Council, whichever occurred earlier, where the nominations would be formally confirmed by the Council as elected.

4. The Executive Director drew attention to the list of nominees to the High-level Committee of Ministers and Officials as contained in the annex to his report on the nomination of members of the Committee. In accordance with the Governing Council's decision on the constitution of the Committee, adopted at its nineteenth session, the Council was being requested at its current special session formally to confirm those nominees as elected.

5. The representative of India, speaking on behalf of the Asian Group, said that the nominees from the Asian region listed in the annex to the report of the Executive Director had been nominated for the year 1997/98. The following countries of the region were being nominated by the Group for 1998/1999: China, India, Indonesia, Islamic Republic of Iran, Republic of Korea, Samoa, Sri Lanka and Thailand.

6. The Council then formally confirmed as elected to the High-level Committee the States nominated by the respective regional groups, as indicated in the annex to the report of the Executive Director and in the statement of the representative of India.

7. As a result, the High-level Committee of Ministers and Officials is composed of the following members: Algeria, Argentina, Australia, Austria, Bahamas, Bangladesh,* Burundi, China, Cuba, Czech Republic, Democratic Republic of the Congo, Denmark,*** Egypt, El Salvador, Finland,**** India,**** Indonesia, Islamic Republic of Iran, Italy, Japan,* Kenya, Mexico, Netherlands, Nigeria, Pakistan,* Peru, Philippines,* Poland, Republic of Korea, Romania, Russian Federation, Samoa,** Senegal, Sri Lanka,**** Switzerland, Thailand,**** Uganda, United Kingdom of Great Britain and Northern Ireland, United States of America, Zambia and Zimbabwe.

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* For 1997/98 only.

*** For 1998 and 2000

**** For 1997 and 1999

** For 1998/99 only.

## CHAPTER IV

## EVALUATION OF THE MANAGEMENT AND ADMINISTRATIVE SUPPORT OF THE UNITED NATIONS ENVIRONMENT PROGRAMME, AS REQUESTED BY THE GOVERNING COUNCIL IN SECTIONS II AND III OF DECISION 19/22

1. In considering item 5, the Council had before it the report of the Executive Director on the evaluation of the management and administrative support of the United Nations Environment Programme, as requested by the Governing Council in sections II and III of decision 19/22 (UNEP/GCSS.V/4) and an information document containing a letter dated 30 October 1997 from the Chairman of the Advisory Committee on Administrative and Budgetary Questions (ACABQ) addressed to the Executive Director of UNEP (UNEP/GCSS.V/INF/3).

2. The item was taken up by the Council at the 2nd meeting of the session, on 20 May 1998.

3. Following an introductory statement by the Executive Director, the Council, at the 2nd meeting of the session, heard statements from the representatives of India (on behalf of the Group of 77 and China) and Japan. Mr. Mohamed El-Ashry, Chief Executive Officer and Chairman of the Global Environment Facility, also made a statement.

4. At the 3rd meeting of the session, on 20 May 1998, the Council heard statements under the item from the representatives of Argentina, Australia, Bangladesh, Canada, China, Cuba, France, Indonesia, Kenya, the Marshall Islands, Mexico (on behalf of the Group of Latin America and Caribbean States), Nigeria, Poland, the Republic of Korea, the Russian Federation, Switzerland, Turkey, Uganda, the United Kingdom of Great Britain and Northern Ireland (on behalf of the European Union) and the United States of America.

5. A representative of the members of Alliance of Small Island Developing States attending the session also made a statement.

Action by the Council

6. The Governing Council then proceeded to consider and adopt, at its 6th meeting, decision SS.V/1 under this item. The text of the decision is included in annex I to the present proceedings, and the process of adoption, including any comments made at the time, is recorded in chapter II, paragraphs 1-2 above.

## CHAPTER V

## REVIEW OF THE RESULTS AND DECISIONS OF THE SPECIAL SESSION OF THE GENERAL ASSEMBLY FOR THE PURPOSE OF AN OVERALL REVIEW AND APPRAISAL OF THE IMPLEMENTATION OF AGENDA 21 AND OF THE CONCLUSIONS OF THE HIGH-LEVEL COMMITTEE OF MINISTERS AND OFFICIALS AT ITS SECOND MEETING

1. In considering item 6, the Council had before it the report of the Executive Director to the High-level Committee of Ministers and Officials on UNEP reform in the context of United Nations reform (UNEP/HLC/2/2 and Corr.1), the policy statement of the Executive Director to the fifth special session of the Governing Council (UNEP/GCSS.V/2), the report of the Executive Director on progress in the negotiations for an international legally binding instrument for the application of PIC procedure for certain hazardous chemicals and pesticides in international trade (UNEP/GCSS.V/5), and paragraphs 170-179 of the report of the Secretary-General entitled "Renewing the United Nations: a programme for reform" (A/51/950).

2. The Council took up the item at the 4th meeting of the session, on 21 May 1998.

3. Following an introductory statement by the Executive Director, in which an organigram showing the proposed new organizational structure was presented, the Council, at the 4th meeting of the session, on 21 May, heard statements under the item by the representatives of Bangladesh (on behalf of the Group of 77 and China), Belarus, Botswana, Canada, China, Ethiopia, France, Germany, India, Indonesia, the Islamic Republic of Iran, Japan, Kenya, Nigeria, the Republic of Korea, South Africa, Sri Lanka, Turkey, Uganda, the United Kingdom of Great Britain and Northern Ireland (on behalf of the European Union), the United States of America and Zimbabwe.

4. A representative of the members of the Alliance of Small Island Developing States attending the session also made a statement.

5. At the 5th meeting of the session, on 21 May, the Council heard statements under the item by the representatives of Argentina (on behalf of the Valdivia Group), Australia, China, India, the Islamic Republic of Iran (on behalf of the Group of 77 and China), Morocco, Nepal, Norway, Pakistan, the Russian Federation, Slovakia, Switzerland, Zambia and Zimbabwe (on behalf of the Group of 77 and China).

6. The representative of Palestine also made a statement.

7. Statements were also made by the representatives of the Food and Agriculture Organization of the United Nations (FAO), the World Meteorological Organization (WMO), the United Nations Development Programme (UNDP) and the United Nations Educational, Scientific and Cultural Organization (UNESCO) and by the Secretary-General of the United Nations Framework Convention on Climate Change. The representatives of the League of Arab States and of the Organisation for Economic Cooperation and Development (OECD) also made statements. The Council also heard statements by the representatives of the International Council for Environmental Law (ICEL) and the World Conservation Union (IUCN).

8. At the 6th meeting of the session, the Council heard statements under the item by the representative of New Zealand, who announced unearmarked supplementary funding of $45,000 for the Environment Fund for 1998, and by the representatives of Brazil, Colombia, Cuba, Kenya, Morocco, the Netherlands and the Syrian Arab Republic (on behalf of the Council of Arab Ministers Responsible for the Environment (CAMRE)). The representatives of the Organization of African Unity (OAU) and of the Secretariat of the Pacific Community also made statements.

9. A statement was also made by the representative of the United Nations Centre for Human Settlements (UNCHS) (Habitat). In addition, the Council heard statements by the Environment Liaison Centre International (on behalf of civil society organizations) and the World Wide Fund for Nature (WWF) International.

Action by the Council

10. The Governing Council then proceeded to consider and adopt, at its 6th and 7th meetings, a number of decisions under this item, namely decisions SS.V/2 to SS.V/7. The text of these decisions is included in annex I to the present proceedings, and the process of adoption, including any comments made at the time, is recorded in chapter II, paragraphs 3-18 above.

## CHAPTER VI

## ADOPTION OF THE REPORT

The present proceedings were adopted at the 6th meeting of the session, on 22 May 1998, on the basis of the draft report as contained in document UNEP/GCSS.V/L.8 and on the understanding that the Rapporteur would be entrusted with the finalization of the proceedings in the light of the subsequent discussion at the session.

## CHAPTER VII

## CLOSURE OF THE SESSION

At the 7th meeting of the session, on 22 May 1998, after the customary exchange of courtesies, the President declared the fifth special session of the Governing Council closed.

## Annex I

## DECISIONS ADOPTED BY THE GOVERNING COUNCIL OF THE UNITED NATIONS ENVIRONMENT PROGRAMME AT ITS FIFTH SPECIAL SESSION
Nairobi, 20-22 May 1998*


| Decision number | Title | Page |
|---|---|---|
| SS.V/1 | Evaluation of the management and administrative support of the United Nations Environment Programme, as requested by the Governing Council in sections II and III of its decision 19/22 | 19 |
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| SS.V/6 | Global Environment Facility | 28 |
| SS.V/7 | Land degradation | 29 |
| | **Other decision** | |
| | Membership of the High-level Committee of Ministers and Officials | 30 |


* All the numbered decisions were adopted by the Governing Council on 22 May 1998. The other decision was adopted on 20 May 1998.

SS.V/1. Evaluation of the management and administrative support of the United Nations Environment Programme, as requested by the Governing Council in sections II and III of its decision 19/22

The Governing Council

I. THE ENVIRONMENT FUND

1. Welcomes the report of the Executive Director on the evaluation of the management and administrative support of the United Nations Environment Programme, 1/ the important contribution of the Committee of Permanent Representatives and the management and administrative support costs efficiencies achieved in the biennium 1996-1997 and proposed for the biennium 1998-1999;

2. Notes the final 1996-1997 management and administrative support costs expenditures, subject to the final closure of 1996-1997 accounts, of 29.5 million United States dollars and the efficiencies implemented by the Executive Director that resulted in additional savings of approximately 4.36 million dollars;

3. Further notes the letter dated 30 October 1997 from the Chairman of the Advisory Committee on Administrative and Budgetary Questions addressed to the Executive Director of the United Nations Environment Programme, 2/ which reiterates the recommendation of the Advisory Committee that the level of resources to be made available to the United Nations Environment Programme should be clearly defined in advance, so as to provide a more secure and reliable base for programme planning and management; 3/

4. Notes with concern that the overall low level of contributions, received, pledged and projected, to the Environment Fund for the biennium 1998-1999 falls short of the level required to implement the approved 1998-1999 programme of 75 million dollars;

5. Notes with concern the large discrepancy in funding provided from the United Nations regular budget to the United Nations Office at Nairobi, in relation to the United Nations Office at Vienna and the United Nations Office at Geneva, and urges the Executive Director to report thereon to the Secretary-General of the United Nations;

6. Requests the Executive Director to move quickly to implement, as appropriate, the recommendations of the recent report of the Office of Internal Oversight Services 4/ and to report thereon to the Governing Council at its twentieth session;

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1/ UNEP/GCSS.V/4.

2/ UNEP/GCSS.V/INF/3 (English only).

3/ Ibid., sixth paragraph.

4/ A/51/810.

7. Confirms the 1998-1999 management and administrative support costs budget appropriation of 27.5 million dollars, subject to the continued feasibility of the approved 1998-1999 programme of 75 million dollars;

8. Urges the Executive Director to manage the 1998-1999 management and administrative support costs budget appropriation with the utmost economy and to achieve greater efficiencies in those offices funded from the management and administrative support costs budget;

9. Requests the Executive Director further to reduce 1998-1999 management and administrative support cost expenditures, bearing in mind Governing Council decision 18/42 of 25 May 1995, should contributions to the Environment Fund fall short of the level required to implement the approved 1998-1999 programme of 75 million dollars;

10. Approves the cancellation of the extraordinary additional 1998-1999 management and administrative support costs appropriation of one million dollars, as outlined in paragraph 7 of the report of the Executive Director on the evaluation of the management and administrative support of the United Nations Environment Programme, 1/ and the Executive Director's proposal to direct these resources into Fund programme activities, in accordance with the Nairobi Declaration on the Role and Mandate of the United Nations Environment Programme; 5/

11. Requests the Executive Director to re-examine the 1998-1999 programme approved by the Governing Council at its nineteenth session 6/ in the light of the core elements of the focused mandate of the Nairobi Declaration, and to report thereon to the Governing Council at its twentieth session;

12. Authorizes the Executive Director to prepare a 2000-2001 programme of work and also to define a core programme for the biennium 2000-2001, making use of the priorities of the Nairobi Declaration, that establishes a direct and realistic link between the volume of activities to be undertaken and available financing, to be presented to the Governing Council at its twentieth session;

13. Requests the Executive Director to increase the involvement of Governments in programme and budget formulation and priority setting between sessions of the Governing Council, using its subsidiary bodies;

14. Reconfirms the Executive Director's authority to adjust the apportionment for each budget line by 20 per cent, within the overall appropriation for Fund programme activities in 1998-1999;

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5/ Governing Council decision 19/1, annex.

6/ See Governing Council document UNEP/GC.19/22 and Corr.1, part four, and decision 19/22 of 7 February 1997.

## II. REGIONAL OFFICES

15. Urges the Executive Director:

(a) To work with Governments to establish a common core mandate and set of regional responsibilities and propose adequate allocations for each regional office, while recognizing the specificities of each of the offices;

(b) To ensure that regional issues pertaining to the programme preparation, prioritization and implementation processes of the United Nations Environment Programme are a part of its core mandate;

(c) To present to the Governing Council at its twentieth session a comprehensive report on the functioning of the regional offices;

16. Further urges the Executive Director to ensure a clear definition of the functional and structural relationship between the United Nations Environment Programme and its regional offices;

17. Requests the Executive Director to propose to the Governing Council at its twentieth session measures for the strengthening of regionalization and decentralization through the involvement of regional ministerial and other relevant forums, as contained in paragraph 4 (b) of the Nairobi Declaration, and to take into account the financial implications of such measures;

## III. SPECIALIZED OFFICES

18. Urges the Executive Director:

(a) To work with Governments to reconfirm or adjust if necessary the mandates of the two specialized offices;

(b) To present to the Governing Council at its twentieth session a comprehensive report on the functioning of these offices;

## IV. TRUST FUNDS AND COUNTERPART CONTRIBUTIONS

19. Notes with concern the substantial growth of trust funds and counterpart contributions and the relative decline in the resources available to the Environment Fund;

20. Emphasizes the primacy of the multilateral decision-making process and the Environment Fund;

21. Expresses its concern that the administrative and management costs of trust funds and counterpart contributions may not be borne, in full, by these sources of funding and that part of these costs are charged to the Environment Fund while noting the relevance of the continuing debate at the United Nations level on the administrative and management costs of trust funds and counterpart contributions for the management and administrative

support costs budget of the United Nations Environment Programme, and requests the Executive Director to report thereon to the Governing Council as mandated in Governing Council decision 19/24 B of 7 February 1997;

22. Urges Governments to make their non-convention contributions first and foremost to the Environment Fund;

23. Urges the Executive Director to ensure that trust fund and counterpart contributions, other than contributions to conventions and the contributions from the Global Environment Facility, are clearly and directly related to the core programme areas identified in the Nairobi Declaration and to seek further funding from these and other sources;

24. Requests the Executive Director to enhance trust fund and counterpart contribution monitoring and reporting.

6th meeting
22 May 1998

SS.V/2. Revitalization, reform and strengthening of the United Nations Environment Programme

The Governing Council,

Recalling the results and decisions of the nineteenth special session of the United Nations General Assembly, convened for the purpose of an overall review and appraisal of the implementation of Agenda 21, 7/ and, in particular, paragraphs 119 and 122-124 of the Programme for the Further Implementation of Agenda 21, 8/

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7/ Report of the United Nations Conference on Environment and Development, Rio de Janeiro, 3-14 June 1992 (A/CONF.151/26/Rev.1 (Vol. I and Vol. I/Corr.1, Vol. II, Vol. III and Vol. III/Corr.1)) (United Nations publication, Sales No. E.93.1.8 and corrigenda), vol. I: Resolutions Adopted by the Conference, resolution 1, annex II.

8/ General Assembly resolution S-19/2, annex.

Also recalling the Nairobi Declaration on the Role and Mandate of the United Nations Environment Programme, 5/ adopted by the Governing Council at its nineteenth session,

Concerned at the continuing trends of deterioration in the state of the global environment,

Aware of the ongoing processes of globalization and liberalization that have serious implications for the global environment, as well as the growing complexity and fragmentation of institutional responses to environmental problems,

Recognizing that a strong environmental voice is an essential requirement for sustainable development,

Convinced of the urgent need for a strong, effective and revitalized United Nations Environment Programme to underpin the efforts of the international community to arrest and to reverse the deterioration of the global environment,

Emphasizing that the United Nations Environment Programme has been and must continue to be the principal United Nations body in the field of the environment and that its role is to be the leading global environmental authority that sets the global environmental agenda, that promotes the coherent implementation of the environmental dimension of sustainable development within the United Nations system and that serves as an authoritative advocate for the global environment,

Taking note of the report of the High-level Committee of Ministers and Officials at its second session, 9/

1. Affirms that the future reform of the United Nations Environment Programme in the context of United Nations reform should be predicated on the following considerations:

(a) The future activities and organizational structure of the secretariat of the United Nations Environment Programme should be fully in line with the mandate contained in the Nairobi Declaration;

(b) Reform should aim at the further enhancement of the role of United Nations Environment Programme as the principal United Nations body in the field of the environment;

(c) The further organizational reform of the United Nations Environment Programme, based on the proposals of the Executive Director, must ensure a more rational, efficient and cost-effective functioning of the secretariat of the United Nations Environment Programme as a whole;

2. Welcomes the proposals of the Executive Director, in keeping with the spirit of the Nairobi Declaration for areas of concentration of the activities of the United Nations Environment Programme, namely:

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9/ UNEP/HLC/2/6.

(a) Environmental information, assessment and research, including environmental emergency response capacity and strengthening of the early warning and assessment functions of the United Nations Environment Programme;

(b) Enhanced coordination of environmental conventions and development of environmental policy instruments;

(c) Freshwater;

(d) Technology transfer and industry;

(e) Support to Africa;

as well as other priority areas of the United Nations Environment Programme, as established by the Governing Council at its nineteenth session;

3. Requests the Executive Director to re-examine the 1998-1999 programme of work approved by the Governing Council at its nineteenth session 6/ in the light of the core elements of the focused mandate of the Nairobi Declaration, and the proposed areas of concentration, with due regard to the needs of environmental education, within the existing programme of work; and to develop further his new proposals in this regard in the context of the programme of work for the biennium 2000-2001, and to make recommendations thereon to the Governing Council at its twentieth session;

4. Welcomes the intention of the Executive Director to realize the "environmental dividend" from the streamlining and rationalization of the administrative arrangements for the United Nations Environment Programme, in accordance with the principle of equitable geographical representation and gender balance, as well as the interests of developing countries;

5. Underscores the paramount importance of adequate and predictable funding for the United Nations Environment Programme and calls again upon all Governments to contribute according to their financial capabilities;

6. Decides to review, at its twentieth session, the status of the ongoing reform of the United Nations Environment Programme, and to provide to the General Assembly at its fifty-fifth session - the Millennium Assembly - its policy conclusions on institutional arrangements within the United Nations system for dealing with the environmental challenges of the next century and the role of the United Nations Environment Programme in that context.

7th meeting
22 May 1993

SS.V/3. Contribution of the United Nations Environment Programme to the seventh session of the Commission on Sustainable Development

The Governing Council,

Recalling that, in accordance with the multi-year programme of work for the Commission on Sustainable Development for the period 1998-2002, oceans will be the sectoral theme for the Commission's seventh session, in 1999, while the economic sector/major group for discussion at the session will be tourism,

Recalling also that the Programme for the Further Implementation of Agenda 21, adopted by the General Assembly at its nineteenth special session, calls on the United Nations Environment Programme to continue providing support to the Commission on Sustainable Development, inter alia, in the form of scientific, technical and policy information and analysis of and advice on global environmental issues, 10/

Requests the Executive Director to consult with Member States, particularly developing countries, both individually and in regional and subregional groupings, on environmental aspects of oceans management, including the problems of the sustainable development of small island developing States, and sustainable tourism, and, on the basis of these consultations, to prepare reports for the consideration of the High-level Committee of Ministers and Officials and the Governing Council at its twentieth session, with a view to submitting the reports as a contribution to the work of the Commission on Sustainable Development at its seventh session.

7th meeting
22 May 1998

SS.V/4. Freshwater

The Governing Council,

Recalling chapter 18 of Agenda 21, 7/ which addresses the state of the world's freshwater resources and the need for action at different levels for the sustainable development of freshwater resources,

Also recalling Governing Council decision 19/1 of 7 February 1998, adopting the Nairobi Declaration on the Role and Mandate of the United Nations Environment Programme, 5/ in which the member States stress the role of the United Nations Environment Programme as a leading environmental body within the United Nations, and taking into account decision 6/1 of 1 May 1998 of the Commission on Sustainable Development, which calls upon the United Nations Environment Programme, in collaboration

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10/ General Assembly resolution S-19/2, annex, para. 124.

with other relevant United Nations bodies, to play a vital role in the environmental aspects of the sustainable development of freshwater, 11/ and referring to other initiatives on freshwater contained therein,

Recognizing the urgency of access to safe drinking water and bearing in mind the importance of water for life, society, agriculture, industry and maintenance of ecosystems,

Reiterating the necessity of transferring innovative and applied technology and corresponding know-how for the sustainable development and management of freshwater resources,

Considering the importance of the financing of environmental aspects of freshwater resources programmes and projects, in the spirit of Agenda 21, and taking into account section D of decision 6/1 of the Commission on Sustainable Development, on financial resources and mechanisms,

Noting with appreciation the value of the work already undertaken by the United Nations Environment Programme in the field of freshwater, as well as the complementary activities of other related organizations and programmes of the United Nations system,

Recognizing that the following approaches can contribute to the environmental aspects of sustainable development and management of freshwater:

(a) Water should be considered a finite resource which has economic, social and environmental dimensions; its management requires an integrated response;

(b) Sufficient water should be available to maintain and ensure the existence of humankind and conservation of ecosystems, including the conservation and sustainable use of biological diversity;

(c) Data on water resources availability, use and quality and quantity should be collected, analysed and made available to inform decision-making;

(d) Water-quality standards should have regard to the location of the water resource and the uses to which the water is put;

(e) Water management should be consistent with the precautionary principle so as not to threaten the long-term renewability of freshwater stocks and flows;

(f) Particular attention should be given to the role of women in water planning and management;

(g) Decision-making could be devolved to local communities, where possible,

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11/ See decision 6/1 of the Commission on Sustainable Development, paragraph 53.

1. Decides to enhance the role of the United Nations Environment Programme in the environmental aspects of sustainable development and management of freshwater through providing environmental, technical and scientific advice, facilitating the transfer of technology to developing countries and assisting countries in this regard, especially developing countries, in developing and strengthening their ability to manage their water resources, strengthening their institutional capacities and developing tools for monitoring and analysing water quality and quantity, and means of enhancing public awareness of important environmental aspects of water-related issues;

2. Requests the Executive Director to facilitate, within the existing programme of work of the United Nations Environment Programme, the provision of advice and assistance to States, on request, on strengthening integrated river basin management;

3. Also requests the Executive Director, in consultation with Governments and other relevant organizations and programmes of the United Nations system, within the existing programme of work of the United Nations Environment Programme:

(a) To assist countries, particularly developing countries, to establish methods of identifying environmental problems of freshwater in order to find the underlying causes of those problems;

(b) To assist countries, particularly developing countries, to establish the capacity to collect, interpret and disseminate information relating to environmental aspects of water-management decisions;

(c) To facilitate the surveying, development and dissemination of technologies and methodologies for the environmentally sound management of freshwater;

(d) To promote the best use of water technology centres in developing countries for the purposes of South-South cooperation;

(e) To examine how corporate voluntary agreements and initiatives could enhance the role that industry can play in the freshwater area;

(f) To create mechanisms for assisting countries, in particular developing countries, in the identification of effective and appropriate practices in public participation in addressing environmental aspects of freshwater;

4. Further requests the Executive Director to cooperate with other organizations and programmes of the United Nations system and other international bodies through the Subcommittee on Water Resources of the Administrative Committee on Coordination in promoting arrangements for cooperation on the environmental aspects of freshwater;

5. Calls upon the Executive Director to present proposals on this work to the Governing Council at its twentieth session and to report on progress in the implementation of the present decision and on the environmental issues arising from it to the Governing Council at the same session.

6th meeting
22 May 1998

SS.V/5. Convention on the Prior Informed Consent Procedure for Certain Hazardous Chemicals and Pesticides in International Trade

The Governing Council

1. Authorizes the participation of the secretariat of the United Nations Environment Programme in an interim secretariat and in a secretariat to the Convention on the Prior Informed Consent Procedure for Certain Hazardous Chemicals and Pesticides in International Trade, 12/ if so decided by the Conference of Plenipotentiaries on the Convention, to be held in Rotterdam later in 1998, provided that such arrangements are satisfactory to the Executive Director and that costs additional to the implementation of the present voluntary procedure be met through extrabudgetary resources;

2. Agrees to accept changes in the voluntary prior informed consent procedure, if so decided by the Conference of Plenipotentiaries, provided that costs additional to the implementation of the present voluntary procedure be met through extrabudgetary resources.

6th meeting
22 May 1998

SS.V/6. Global Environment Facility

The Governing Council

1. Welcomes the progress made by the Executive Director in strengthening the role of the United Nations Environment Programme in the Global Environment Facility, pursuant to decision 19/12 of 7 February 1997 and the Nairobi Declaration on the Role and Mandate of the United Nations Environment Programme; 5/

2. Also welcomes the results of the first meeting of the Assembly of the Global Environment Facility, held in New Delhi from 1 to 3 April 1998;

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12/ For the text of the Convention as agreed by the Intergovernmental Negotiating Committee for an International Legally Binding Instrument for the Application of the Prior Informed Consent for Certain Hazardous Chemicals and Pesticides in International Trade at its fifth session, see UNEP/FAO/PIC/INC.5/3.

3. Further welcomes the successful conclusion of the negotiation on the second replenishment of the Global Environment Facility and notes the policy recommendations on actions to be undertaken by the Global Environment Facility to maximize its effectiveness and impacts, while respecting the prerogatives of the governing bodies of the implementing agencies;

4. Further welcomes the revitalized profile of the United Nations Environment Programme as an implementing agency of the Global Environment Facility, as contained in the statement of the Executive Director to the first meeting of the Assembly of the Global Environment Facility;

5. Invites the Executive Director to take such additional actions as are deemed necessary to strengthen further the revitalized role of the United Nations Environment Programme in the Global Environment Facility, taking into account the decisions of the March 1998 meeting of the Global Environment Facility Council and the statement of the first meeting of the Global Environment Facility Assembly, and to present a report on those actions for consideration by the Governing Council at its twentieth session;

6. Also invites the Global Environment Facility to support the Executive Director's efforts aimed at strengthening the role of the United Nations Environment Programme in the Global Environment Facility in accordance with the terms of reference of the Facility.

7th meeting
22 May 1998

SS.V/7. Land degradation

The Governing Council,

Recognizing that land degradation, including desertification and deforestation, is a priority area for many countries, especially developing countries, particularly those in Africa,

Recognizing also the major role that the United Nations Environment Programme plays in desertification control, including as an implementing agency of the Global Environment Facility, in activities to combat land degradation as they relate to the focal areas of the Global Environment Facility,

Welcoming the identification by the Chief Executive Officer and Chairman of the Global Environment Facility in his statement to the Governing Council at its fifth special session of the issue of land degradation as a priority area on which the United Nations Environment Programme should focus, as well as the statement of the first meeting of the Assembly of the Global Environment Facility which, inter alia, states that the "GEF should seek to better define the linkages between land degradation, particularly desertification and deforestation, and its focal areas and to increase GEF support for land degradation activities as they relate to the GEF focal areas",

1. Requests the Executive Director to continue to promote action to assist, upon request, and within the framework of existing programmes of the United Nations Environment Programme and in collaboration with other United Nations bodies, parties to the United Nations Convention to Combat Desertification in those Countries Experiencing Serious Drought and/or Desertification, particularly in Africa, 13/ with the implementation of the Convention;

2. Calls upon the Executive Director, upon request, and within the framework of existing programmes of the United Nations Environment Programme and in collaboration with other United Nations bodies, to continue to promote action to assist countries, particularly those in Africa, with the implementation of regional plans of action to combat land degradation;

3. Requests the Executive Director, in consultation with the Chief Executive Officer and Chairman of the Global Environment Facility, to examine ways to further strengthen the role of the United Nations Environment Programme in the Global Environment Facility in activities aimed at combating land degradation as they relate to the focal areas of the Global Environment Facility;

4. Requests the Executive Director to report on the implementation of the present decision to the Governing Council at its twentieth session.

7th meeting
22 May 1998

## Other decision

### Membership of the High-level Committee of Ministers and Officials

At the 2nd meeting of the fifth special session, on 20 May 1998, the Governing Council formally confirmed the following States as members elected to the High-level Committee of Ministers and Officials, in accordance with paragraph (b) of its decision 19/32 of 4 April 1997: Algeria, Argentina, Australia, Austria, Bahamas, Bangladesh,* Burundi, China, Cuba, Czech Republic, Democratic Republic of the Congo, Denmark,** Egypt, El Salvador, Finland,*** India,**** Indonesia, Islamic Republic of Iran, Italy, Japan,* Kenya, Mexico, Netherlands, Nigeria, Pakistan,* Peru, Philippines,* Poland, Republic of Korea, Romania, Russian Federation, Samoa,**** Senegal, Sri Lanka,**** Switzerland, Thailand,**** Uganda, United Kingdom of Great Britain and Northern Ireland, United States of America, Zambia and Zimbabwe.

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13/ A/49/84/Add.2, annex, appendix II.

* For 1997/98 only.

** For 1998 and 2000.

*** For 1997 and 1999.

**** For 1998/99 only.

Annex II

OPENING ADDRESS BY THE PRESIDENT OF THE GOVERNING COUNCIL

Distinguished delegates, ladies and gentlemen,

As the representative of my country, Venezuela, it is a great honour for me to have this opportunity to chair the fifth special session of the Governing Council of the United Nations Environment Programme.

I cannot conceal from you the satisfaction and optimism I feel at witnessing a period which marks the political revitalization of the United Nations Environment Programme.

If we look back just one year, we will recall that the nineteenth session of the Governing Council of UNEP began with the general conviction that the institution was undergoing a profound crisis. We were not clear as to how UNEP would regain its leading role in the development of the international environmental agenda. The debate on the governance of UNEP questioned the Governing Council's ability to guide the institution politically, in circumstances which demanded that important decisions should be taken in an expeditious and timely manner. Moreover, financial contributions had dwindled considerably, which compelled us to cut back on a large number of work programmes.

Times of crisis are propitious for discussion and sterile debate. Still in my mind is the crude confrontation we faced, but perhaps it was necessary in order to exorcise the demons that were on the verge of devouring us, to encourage us to reflect, and to generate the consensus which today has re-established optimism, credibility, and a truly constructive climate.

Three factors have contributed to this new direction. In the first place, there was the approval of the Nairobi Declaration on the Role and Mandate of the United Nations Environment Programme. The role of UNEP must be clearly and accurately stated as the leading global authority in the field of the environment. The Nairobi Declaration is the guiding document enabling us to embark on the essential process of reforming UNEP. Our Declaration has been widely welcomed within the United Nations, and Secretary-General Kofi Annan himself has referred to it in the context of the general reform of the Organization that is taking place.

Secondly, I would like to refer to the decisions we adopted at the nineteenth session of the Governing Council on the governance of UNEP.

This was the most polemic topic, but our political skills enabled us to find a solution. The High-level Committee of Ministers and Officials has held two meetings, and is proving to be an active and useful body in contributing to the steering of UNEP in an appropriate political direction.

Thirdly, the appointment of Dr. Klaus Töpfer as the new Executive Director has helped to restore confidence in UNEP and its leadership. His international prestige in the field of the environment, his political experience and managerial abilities, fully qualify him to manage our organization successfully.

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This triad of elements now constitutes the foundation on which our renewed optimism will grow and is the basis for the revitalization of UNEP. Before us lies an important agenda to be covered during this fifth special session of the Governing Council.

We must critically review the results and decisions of the special session of the United Nations General Assembly for the purpose of an overall review and appraisal of the implementation of Agenda 21.

Looking back at what happened at that special session, analysing the documents approved and hearing the comments made at a series of international meetings in which I was fortunate enough to participate, there is, in my opinion, no reason to be satisfied with the results of the implementation of Agenda 21 over the period following the Rio de Janeiro conference. In view of this situation, UNEP cannot merely sit back as an observer. It has an immense responsibility for the development of Agenda 21 in the sphere of the environment.

This is why we must make a concerted effort to maximize our role as catalysts of progress in implementing Agenda 21. This goal must be uppermost in our minds, so that during the forthcoming days whatever resolutions are necessary may be adopted.

Within this same context there is another important item on the agenda: the assessment of UNEP's management and administrative support. The Committee of Permanent Representatives, pursuant to Governing Council decision 19/22, has submitted a very well thought-out report containing important proposals that must be carefully analysed. Within the general framework of the Nairobi Declaration, the report of the Committee of Permanent Representatives must constitute a basic element to be considered in designing UNEP's programme of internal reforms pending consideration by the Governing Council. The Executive Director has informed me that at this special session he will present an outline of UNEP's internal reform programme, which will obviously form a key aspect of our deliberations.

We also have to consider the important conclusions adopted by the High-level Committee of Ministers and Officials on matters pertaining to the reform of UNEP and its financing, and aspects considered as priorities on the international environmental agenda. Very special attention must be given to the initiatives aimed at affording priority to the treatment of freshwater within the implementation of Agenda 21.

Finally, during out deliberations, we should deal with the issue which, for me, represents the most important challenge confronting UNEP at this moment. Within the terms of the Nairobi Declaration we should analyse the way in which UNEP can act as the coherent link between the different international conventions.

For example, the changes forthcoming as a consequence of the implementation of the United Nations Framework Convention on Climate Change are going to define very important aspects of the global environmental agenda. The magnitude of these changes is such that UNEP cannot stay on the sidelines. The same is true of the Convention on Biological Diversity.

Ladies and gentlemen, I would once again exhort you to be constructive in the work you undertake. I also beg your help and indulgence in the course of this meeting. As always, I am open to any suggestions and criticisms that may be in order. Please be assured that my involvement is motivated only by my desire to strengthen UNEP.

Let us take every possible advantage of the propitious climate that the organization is currently experiencing.

Thank you very much.

Annex III

OPENING ADDRESS BY THE EXECUTIVE DIRECTOR OF THE UNITED NATIONS ENVIRONMENT PROGRAMME

Mr. President, Ministers, Excellencies, distinguished delegates, and dear colleagues,

I extend a hearty welcome to all of you to Nairobi to the fifth special session of the Governing Council of the United Nations Environment Programme.

I commend you, Mr. President, for your inspiring statement. You have made clear the awesome nature of the environmental challenges that we face today. Your statement also underscores the challenges that we face during this special session. I have no doubt that our deliberations will benefit greatly from your deep understanding of the issues before us. I personally congratulate you, Mr. President, on your outstanding contribution during and since the last session of the Governing Council.

Mr. President,

Allow me at the outset to state that the document "Policy statement of the Executive Director to the fifth special session of the UNEP Governing Council" is with you. I apologize for the delay in distributing this document. I assure you that we will avoid this in the future. We will make available all the documents in all the United Nations languages to you on time.

This document describes UNEP thinking on emerging environmental problems, the areas of concentration, the UNEP organizational structure and financial matters.

I do not wish to reiterate all the points made in the document in my speech. Instead, I will concentrate on the points of our discussion.

Ladies and gentlemen,

It has been our stated policy to strengthen the United Nations presence in Nairobi. Recently, we were very pleased to welcome our Secretary-General, Mr. Kofi Annan, to Nairobi. His successful visit and his support have reinforced our commitment eventually to make the United Nations presence in Nairobi rival those in other prominent United Nations centres, in Geneva and Vienna. I know this is a very high aim. But in life, we must all aim high, if we are to achieve something.

We also wish to make Nairobi a centre for important global conferences and negotiations. In this connection, I am very pleased that the Conference of the Parties to the Convention on Biological Diversity has decided to hold its next meeting here in Nairobi. I am very grateful to the Government of Kenya for inviting the Conference to meet here in Nairobi.

There are other reasons for us to be pleased with our location in Nairobi. The first stage of the Mercure project for data transmission for UNEP is now on line. I had a meeting with the Mercure Board some days ago.

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They stand ready to support our endeavours. We are now eagerly looking forward to further developments in this sphere. We need Mercure for voice transmission and ultimately for the entire United Nations system in Kenya. This will be a cost-effective measure for all of us. In this, we will require assistance - both financial and technical - from our host Government and donors.

Unfortunately, the security situation in Nairobi continues to be serious. We hope that, with the cooperation of the Government of Kenya, we will observe sound improvements in the situation as soon as possible. A sound and stable security environment is absolutely essential for the recruitment of the best international staff in Nairobi.

On a very sad note, I wish to inform you that the United Nations family in Kenya is mourning the brutal murder of our ex-colleague, Mr. Seth Sendashonga, who had worked with UNCHS (Habitat) for many years. He leaves behind four children and a wife, who is also a colleague working for UNEP. The United Nations family cannot be silent in the case of brutal acts such as this.

Excellencies,

We want to repay what we have received from this great continent. Water is a critical issue for Africa. As the co-chair of the Water Group of the Special Initiative on Africa, UNEP, together with UNCHS (Habitat), will work on "The Capetown Declaration". Our aim will be to articulate action plans to provide clean drinking water to African cities.

Likewise, we will be responsive to the special needs of all the regions. For our regional representation, we will have individual profiles for each region, which correspond to their unique circumstances, problems and situations. We are also aware of the special needs of the small island developing States. We will be guided by the Declaration of Barbados in these endeavours.

Mr. President,

Here, at this important special session of the Governing Council, our focus, very appropriately, is on the Nairobi Declaration. The importance of the Nairobi Declaration was also accepted by the special session of the United Nations General Assembly.

But the implementation of the Nairobi Declaration requires defining areas of concentration. My plan focuses primarily on four areas on which UNEP will concentrate its activities in the short and medium term. In my conviction, these four areas of concentration express the substance of the Nairobi Declaration.

First, development of an emergency response capacity and strengthening of the early warning and assessment functions of UNEP.

* A precondition for the development of environmental policy is a strong information, monitoring and assessment capability. In this regard, we will revitalize and strengthen the information, monitoring and assessment capabilities of UNEP.

* We welcome the special interest and support shown by the Government of the United States of America in UNEP endeavours in this field.

* There is an urgent need for an early warning mechanism and emergency response capacity to deal with environmental disasters and emergencies. The events associated with the El Niño phenomenon - floods in Mexico and Peru, forest fires in East Asia, Brazil, Mexico and other countries, drought in various parts of East Africa - have thrown into sharp relief the need for such a mechanism.

* A well-coordinated United Nations system-wide response is required to ensure that manageable emergencies do not develop into major humanitarian crises. I know that organizations such as the United Nations Office of the Coordinator of Humanitarian Affairs are already providing active service in this field. We are honoured to work with this organization.

* A comprehensive assessment of the links between the UNEP monitoring, assessment and early warning capabilities to develop networks for disaster response will be undertaken.

Our second area of concentration will be the coordination and development of environmental policy instruments.

This area includes three sub-components.

First, support to environmental conventions.

* UNEP has special responsibilities for all environmental conventions except those on climate and desertification. Therefore, our first concern is with the conventions which have been negotiated under the auspices of UNEP and to which we provide support.

* UNEP will streamline effective programme support to promote linkages between conventions.

* It will revitalize its role in linking scientific processes underpinning the conventions, including the Scientific and Technical Advisory Panel (STAP) of GEF.

* UNEP will develop synergies among the work programmes of biodiversity-related conventions. Recently, I had the honour to be in Bratislava to congratulate the Slovak Government on its organization of a successful meeting of the Conference of the Parties to the Convention on Biological Diversity. This meeting was a vital step ahead in achieving these synergies. This is a stimulating task and UNEP pointed out at Bratislava the possibilities for common endeavour.

* We are also reviewing our relationship with the work programmes of other environmental conventions, including those on climate and desertification.

* We have already proposed the reinstitution of the inter-agency process of the Ecosystem Coordination Group, which included the participation of specialized agencies and NGOs to support this initiative. The first meeting of this Group is to be held in June.

The second component is chemicals.

* The Intergovernmental Negotiating Committee on a Prior Informed Consent Convention successfully reached agreement on the text of the draft Convention. The Convention will be adopted in September this year and opened for signature at the Diplomatic Conference in Rotterdam.

* I am sure the conclusion of the PIC convention will enhance chemical safety measures in all countries by controlling international trade in hazardous chemicals through the PIC procedure, especially capacity-building.

* Negotiations for a global legally binding instrument on persistent organic pollutants will commence next month at the first session of the Intergovernmental Negotiating Committee on a POPs instrument in Montreal.

* We are very grateful to the Government of Canada for agreeing to host this meeting. Their generosity is symbolic of global solidarity in facing environmental challenges. We are very grateful to the Government of Canada for providing assistance to us, both in financial terms and in kind.

The third component in the area of coordination and development of environmental policy instruments is the development of economic instruments for the implementation of international environmental agreements.

It is crystal clear that the globalization of the world is based on market economies. It is a challenge and an obligation for UNEP to analyse the impact of free market economies linked with liberalization and globalization and their social and environmental consequences. We must intensively explore the use of economic instruments to deal with the effects of globalization, and the spread of free markets worldwide to deal with their environmental and social consequences. We must also explore the use of these instruments intensively to avoid the regionalization of advantages and globalization of disadvantages of economic growth and technological development.

UNEP has two priorities in this area.

* First, together with UNCTAD, UNEP is launching an Intergovernmental Panel on Economic Instruments for Environmental Policy. UNEP is, of course, as co-sponsor with WMO, intensively interested in the best use of IPCC and its wealth of accumulated knowledge.

* The focus of this Panel is the assessment of economic instruments for the implementation of international environmental agreements. UNEP must contribute to the "greening" of tax systems. We have to include ecological components in the tax structure and make sure that environmental costs are included in the pricing policies of private enterprises.

* The second priority is renewal and strengthening of the work of UNEP in the area of trade and environment. UNEP must explore common areas in this field with WTO, OECD, the World Bank and UNCTAD to build closer links between international trade and environmental policies. The discussions now under way in Geneva on the fiftieth anniversary of WTO are therefore of the highest importance for UNEP in the future.

The third area of concentration for UNEP is freshwater.

* The message of the developing world - grappling with poverty, growing population, increasing urbanization and industrialization - is clear. Freshwater supplies will be a critical issue in the years to come. I would like to remind you that it is women who bear the greatest burden in areas of water stress. We must also be aware of the importance of water to the maintenance of ecosystems, biodiversity and food security.

* Information, assessment and monitoring of global water resources will be crucial.

* UNEP is strengthening its collaboration with GEF on freshwater resources. Recently, GEF approved a global international waters assessment. This will provide the international community with a comprehensive assessment on international waters, including freshwaters. It will also provide Governments with priorities for action.

* GEF has also approved a number of activities relating to UNEP projects on transboundary diagnostic analyses and strategic action programmes for the integrated management of international rivers and lakes in different regions of the world.

* UNEP is exploring the possibility of developing a global action programme focusing on the environmental aspects of freshwater management with a regional component.

* UNEP will strengthen legal agreements for long-term cooperative management and the use of water resources important to more than one country, bearing in mind the efforts already under way. It will facilitate the development of regional and subregional action plans and agreements. It will promote the application of economic instruments for environmentally sustainable water resources, since water is not only an economic but also a social good.

* In this regard, UNEP is reviewing its assessment activities for establishing a system for predicting hot spots and developing early warning systems to alert Governments to potential disputes on shared water resources.

* UNEP is revitalizing the GEMS/Water Programme - the only global programme within the United Nations system directed specifically to water pollution issues.

The fourth UNEP area of concentration is industry and technology transfer.

In this area:

* UNEP will strengthen the very good work of the Industry and Environment Office in Paris and the International Environment Technology Centre in Japan in cleaner production activities and transfer of environmentally sound technology.

* In cooperation with the private sector and the Government of the Republic of Korea, UNEP will launch a "Cleaner Production Declaration" to commit signatories to quantified targets to achieve increased resources productivity and pollution prevention.

* UNEP will undertake initiatives with Governments, non-governmental organizations and industry to promote responsible consumer behaviour through advertising and marketing.

* Our focus will be on providing capacity-building and support to small and medium-sized enterprises in developing countries by improving them with access to state-of-the-art clean technologies.

* We will continue to strengthen our work on voluntary initiatives with private sector corporations.

* We know that voluntary agreements are not a substitute for action, but are complementary to it. What we need is capacity-building in this field.

Ladies and gentlemen,

Now I turn to the streamlining of the UNEP organizational structure. I will be making a more detailed presentation on this issue under agenda item 6, entitled "Review of the results and decisions of the special session of the General Assembly for the purpose of an overall review and appraisal of the implementation of Agenda 21 and of the conclusions of the High-level Committee of Ministers and Officials at its second meeting".

This streamlining is being undertaken to implement the recommendations of the Nairobi Declaration on the role and mandate of UNEP. This exercise is being undertaken also to provide a clearer organizational structure, achieve a leaner and more effective administration and avoid overlapping.

At the Nairobi United Nations location, we must make the best use of UNON.

We hope to achieve economies of nearly 30 per cent from the streamlining of our organization in Nairobi. This saving - I have called it the "environment dividend" - will be used to fund the programmes of UNEP, especially for strengthening the regional profile.

I turn now to financial matters.

I am pleased that some countries have increased their contribution to the Environment Fund for 1998. Many countries have heeded my call to pay early. For both of these, I am deeply grateful.

You agreed to pay when the exchange rate was beneficial to us, but now the exchange rate has fallen. The result is that our projections of the overall money that will be available to the Environment Fund show no increase because of losses on the exchange rate against the United States dollar.

Mr. President,

We know that we have to put our house in order by streamlining and cutting down on waste and duplication. We have to prove our capacity to deliver. We must be market-oriented and service-minded.

I am pleased that donors are giving us trust funds in line with the Nairobi Declaration.

A solid financial base is an essential prerequisite to enable UNEP to discharge its strengthened mandate and meet the growing environmental challenges worldwide.

One of my principal objectives in the medium term is to seek, with the cooperation of Governments, to restore the Environment Fund to at least its 1993 level of over $65 million.

Slide 1***** illustrates, for the three most recent bienniums, the Environment Fund budgets approved by the Governing Council. There is a clear downward trend. In fact, the budget for the current biennium is over one third lower than that for 1994-1995.

The same is true of contributions actually paid into the Environment Fund over the same period (slide 2). The projected receipts for 1998-1999 are also nearly one third lower than those for 1994-1995.

Slide 3 combines the two previous ones and shows the shortfall between what the Governing Council expected UNEP to do (the budget) and what it actually enabled UNEP to do (contributions received). The smaller project shortfall in the current biennium (-19 per cent) is due to a reduced level of programming.

Slide 4 shows the regional imbalance in contributions to the Environment Fund over the last eight years, as well as the general decline in contributions. I am pleased to say that at least 40 per cent of Governments

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***** The slides presented by the Executive Director in his opening address are reproduced in the appendix hereto (pages 42 to 45 below).

have begun or resumed contributing since the pledging session during the last Governing Council. Even some least developed countries have pitched in with their contributions. This proves their trust in UNEP. I sincerely thank them. It will not escape notice, furthermore, that the Environment Fund relies heavily on only three of its regions. It is one of my objectives to encourage contributions from all six regions -- if not in equal measure, then at least to the level of Governments' ability to pay.

Mr. President, Excellencies, ladies and gentlemen,

I have been the Executive Director of UNEP for 100 days now. In these 100 days, I have seen the great possibilities, as well as the obstacles, this organization confronts. I have been impressed by the wealth of human talent and dedication in the majority of the staff.

I am not a blue-eyed optimist, nor am I a pessimist. I am a realist.

I have been impressed by the mature wisdom of the members of the Committee of Permanent Representatives and the High-level Committee of Ministers and Officials. Not only have they made my task easier - they have always guided us in our endeavours.

I say this in all sincerity and with the hope that this atmosphere of mutual confidence and trust will continue in the future.

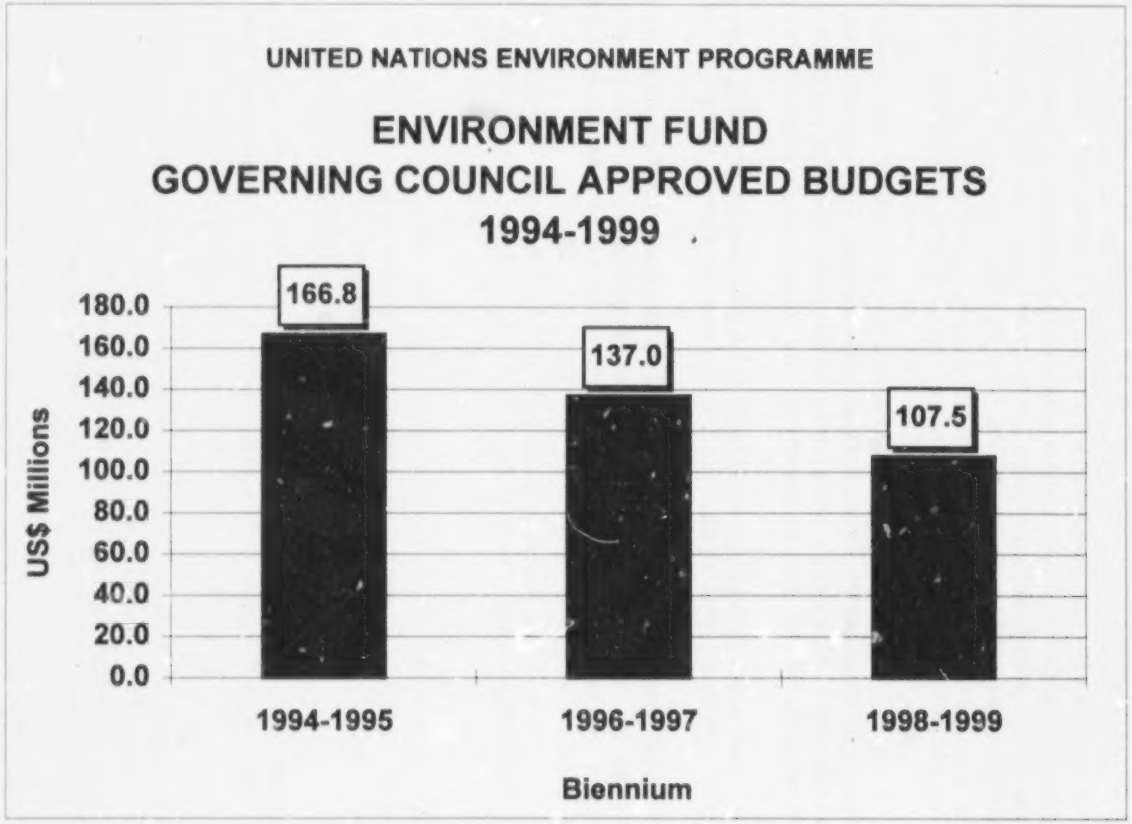
Together, we can make the United Nations Environment Programme, a catalytic body, the voice of the United Nations in environmental policy. Together, we can build a stronger and more effective United Nations presence in Nairobi.

Thank you.

Appendix

SLIDES PRESENTED BY THE EXECUTIVE DIRECTOR IN HIS OPENING ADDRESS

Slide 1

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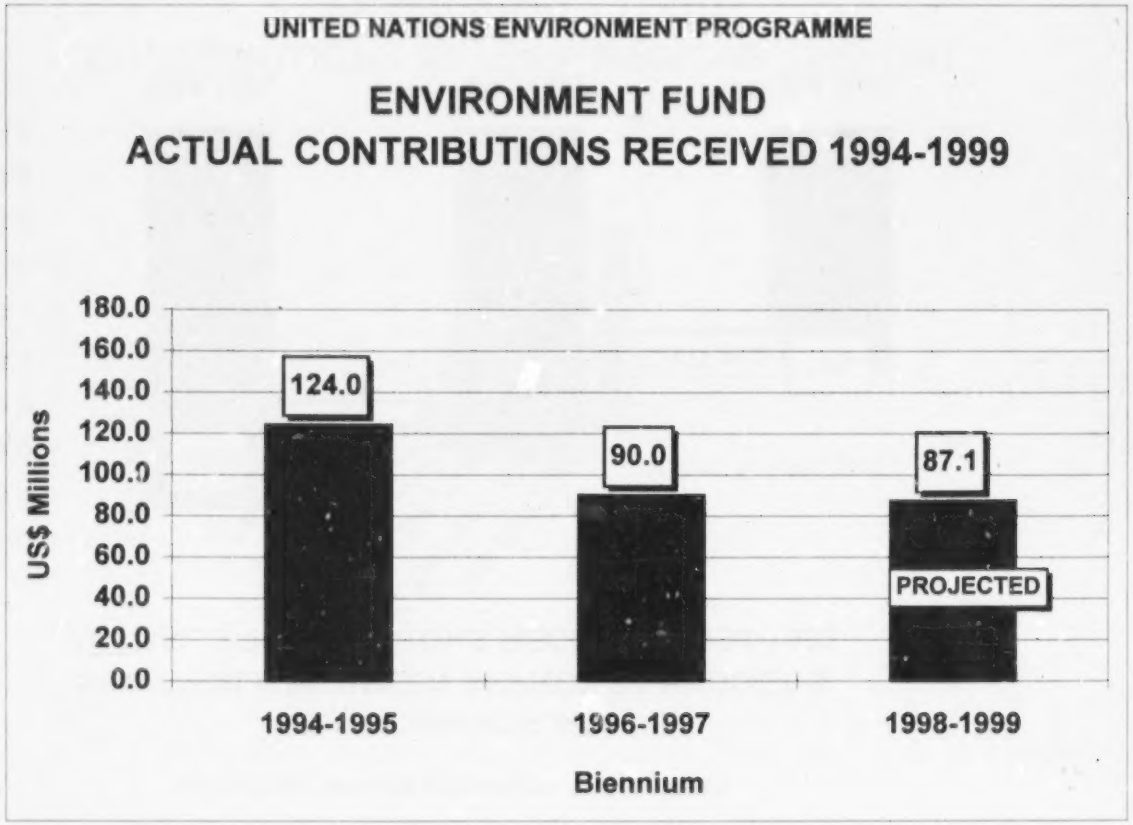
Slide 2


UNITED NATIONS ENVIRONMENT PROGRAMME
ENVIRONMENT FUND
ACTUAL CONTRIBUTIONS RECEIVED 1994-1999
US$ Millions
180.0
160.0
140.0
120.0
100.0
80.0
60.0
40.0
20.0
0.0
124.0
90.0
87.1
PROJECTED
1994-1995
1996-1997
1998-1999
Biennium

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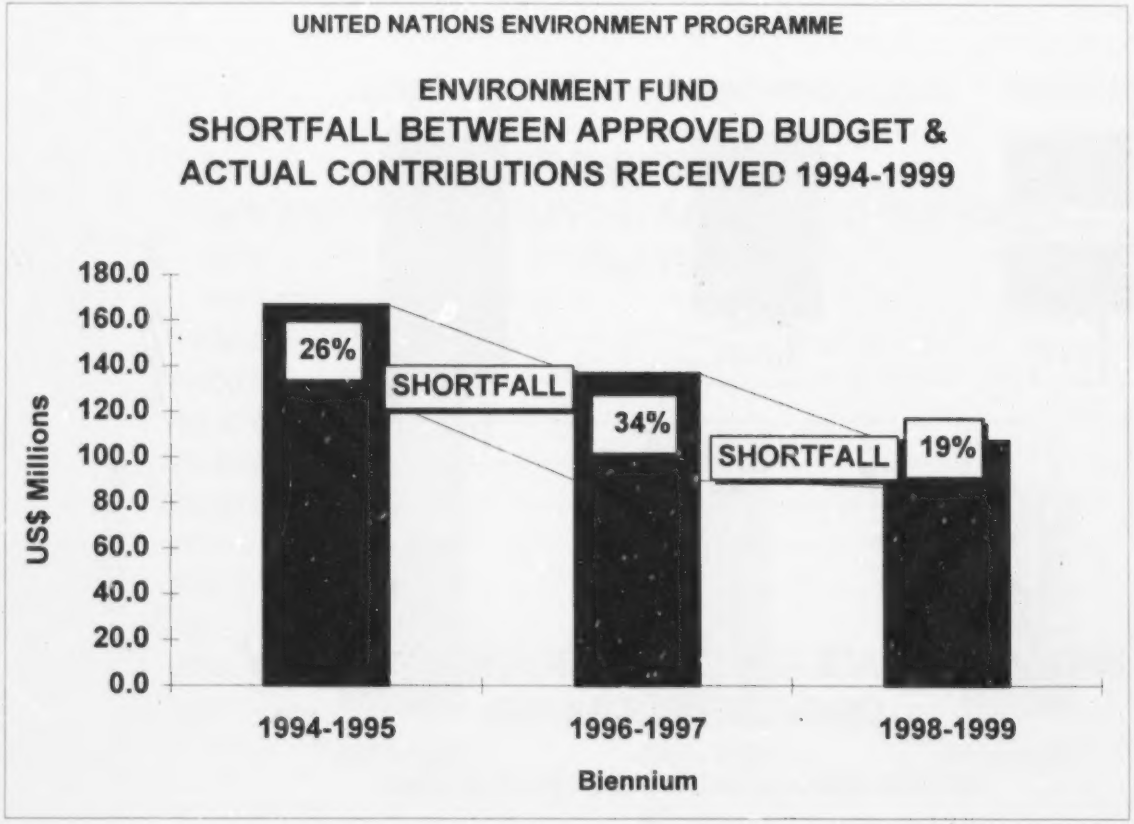
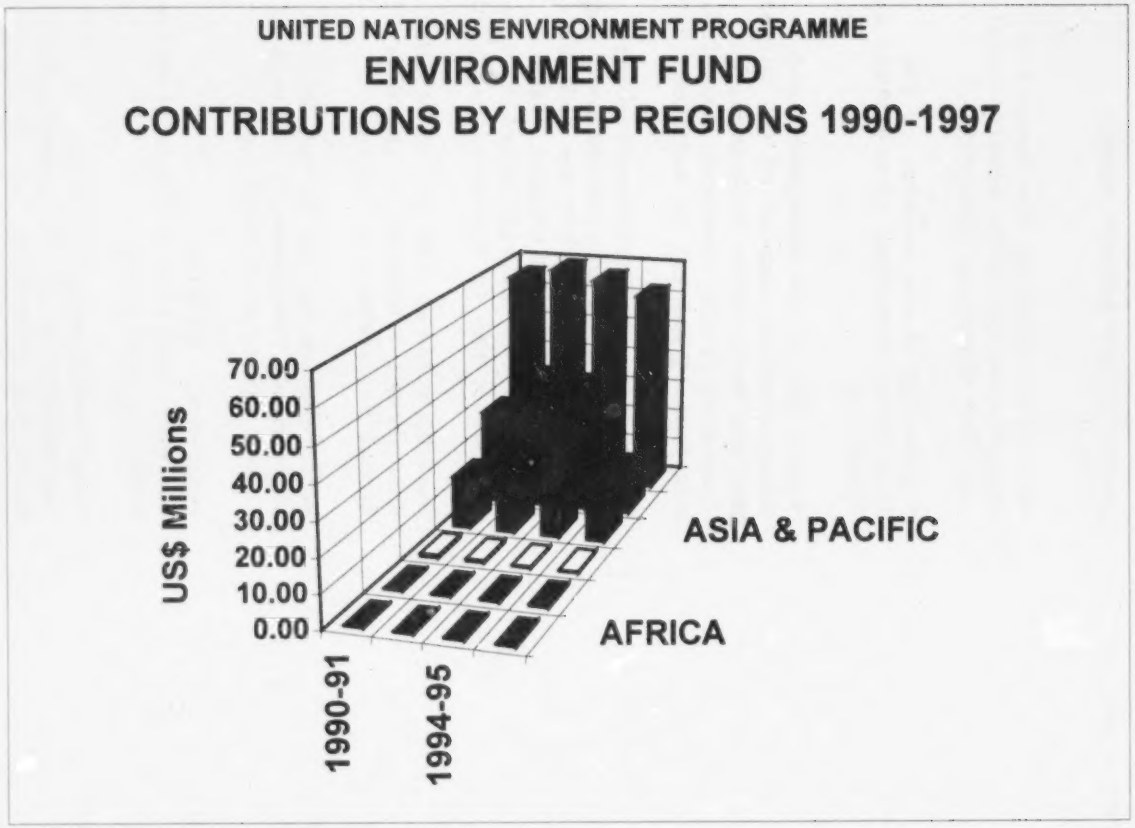
Slide 3


UNITED NATIONS ENVIRONMENT PROGRAMME
ENVIRONMENT FUND
SHORTFALL BETWEEN APPROVED BUDGET &
ACTUAL CONTRIBUTIONS RECEIVED 1994-1999
US$ Millions
180.0
160.0
140.0
120.0
100.0
80.0
60.0
40.0
20.0
0.0
26%
SHORTFALL
34%
SHORTFALL
19%
1994-1995
1996-1997
1998-1999
Biennium

/...

Slide 4


UNITED NATIONS ENVIRONMENT PROGRAMME
ENVIRONMENT FUND
CONTRIBUTIONS BY UNEP REGIONS 1990-1997
US$ Millions
70.00
60.00
50.00
40.00
30.00
20.00
10.00
0.00
1990-91
1994-95
ASIA & PACIFIC
AFRICA

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## Annex IV

## LIST OF DOCUMENTS BEFORE THE GOVERNING COUNCIL AT ITS FIFTH SPECIAL SESSION

| Symbol | Title |
|---|---|
| UNEP/GCSS.V/1 | Provisional agenda |
| UNEP/GCSS.V/1/Add.1 and Corr.1 | Annotated provisional agenda |
| UNEP/GCSS.V/2 | Policy statement of the Executive Director to the fifth special session of the UNEP Governing Council |
| UNEP/GCSS.V/3 | Nomination of the members to the High-level Committee of Ministers and Officials |
| UNEP/GCSS.V/4 | Evaluation of the management and administrative support of the United Nations Environment Programme, as requested by the Governing Council in sections II and III of decision 19/22 |
| UNEP/GCSS.V/5 | Progress in the intergovernmental negotiations on an international legally-binding instrument for the application of the prior informed consent (PIC) procedure for certain hazardous chemicals and pesticides in international trade |
| UNEP/GCSS.V/6 | Participation of the United Nations Environment Programme in the work of the Global Environment Facility |
| UNEP/GCSS.V/INF/2 | Participation of the United Nations Environment Programme in the work of the Global Environment Facility |
| UNEP/GCSS.V/INF/3 | Reference: AC/1332 Advisory Committee on Administrative and Budgetary Questions |
| UNEP/GCSS.V/INF/4 | Programmatic support to the implementation of the Convention on Biological Diversity |
| UNEP/GCSS.V/INF/5 | Programmatic support to the implementation of the Convention on Biological Diversity |

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|---|---|
| UNEP/GCSS.V/INF/5/Rev.1 | Programmatic support to the implementation of the Convention on Biological Diversity |
| UNEP/GCSS.V/INF/6 | Profiles of the UNEP regional offices |

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